

AMENDED IN ASSEMBLY AUGUST 9, 2010

AMENDED IN ASSEMBLY MAY 24, 2010

AMENDED IN SENATE MAY 5, 2009

SENATE BILL

No. 623

Introduced by Senator Ashburn

February 27, 2009

An act to add Section 53593.5 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 623, as amended, Ashburn. Local government: bonds.

Existing law prohibits an investment firm, as defined, from having specified interests in a new issuance of bonds from a local agency.

This bill would prohibit a local agency from entering into ~~a financial advisory, legal advisory, underwriting, an underwriting~~ or similar relationship with an individual or firm, with respect to a bond issue that requires voter approval on or after January 1, 2011, if that individual or firm, or an employee, agent, or person related to an employee or agent of the individual or firm, provided or will provide bond campaign services, as defined, to the bond campaign.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 53593.5 is added to the Government
- 2 Code, to read:

1 53593.5. (a) A local agency is prohibited from entering into
2 ~~a financial advisory, legal advisory, underwriting, an underwriting~~
3 or similar relationship with an individual or firm, with respect to
4 a bond issue that requires voter approval on or after January 1,
5 2011, if that individual or firm, or an employee, agent, or person
6 related to an employee or agent of the individual or firm, provided
7 or will provide bond campaign services to the bond campaign.

8 (b) For purposes of this section, “related” includes, but is not
9 limited to, a family relationship by blood or marriage, a financial
10 relationship, an affiliation between business structures, or the
11 sharing of one or more common principals.

12 (c) (1) For purposes of this section, “bond campaign services”
13 includes fundraising, public opinion polling, election strategy and
14 management, organization of campaign volunteers, get out the
15 vote services, development of campaign literature, and advocacy
16 materials.

17 (2) “Bond campaign services” does not include either of the
18 following:

19 (A) Advice and support related to the preparation of tax rate
20 statements and other documentation required for inclusion in the
21 voter pamphlet published by the applicable county registrar of
22 voters.

23 (B) Public opinion polling that is conducted before a bond
24 measure is placed on the ballot for the purposes of gathering
25 information regarding, and evaluating the potential for, the adoption
26 of the bond measure by the electorate.